

**Senate File 14 - Introduced**

SENATE FILE 14

BY LOFGREN

**A BILL FOR**

1 An Act exempting from the sales tax and the use tax certain  
2 building materials, supplies, goods, wares, merchandise, or  
3 specified digital products sold, or services furnished, to  
4 a nonprofit whose primary activity is the construction of  
5 low-cost homes by incarcerated individuals, and providing  
6 for an effective date.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2021, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 107. The sales price from the sale of  
4 building materials, supplies, goods, wares, merchandise,  
5 or specified digital products sold, or services furnished,  
6 to a nonprofit organization whose primary activity is the  
7 construction of new, low-cost homes by incarcerated individuals  
8 for use by qualified persons in areas of the state in need of  
9 housing and where the building materials, supplies, goods,  
10 wares, merchandise, specified digital products, or services,  
11 are used in the construction of such homes.

12 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
13 importance, takes effect upon enactment.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with  
16 the explanation's substance by the members of the general assembly.

17 This bill exempts from the sales tax certain building  
18 materials, supplies, goods, wares, merchandise, or specified  
19 digital products sold, or services furnished, to a nonprofit  
20 organization whose primary activity is the construction of new,  
21 low-cost homes by incarcerated individuals for use by qualified  
22 persons in areas of the state in need of housing. The bill  
23 requires the building materials, supplies, good, wares,  
24 merchandise, specified digital products, or services exempt  
25 from sales tax to be used in the construction of new homes.

26 By operation of Code section 423.6, an item exempt from the  
27 imposition of the sales tax is also exempt from the use tax  
28 imposed in Code section 423.5.

29 The bill takes effect upon enactment.